

Editorial of the Day – 23.12.2025**Index**

- 1. Himachal Pradesh Needs a Financial Boost(TH) -1**
- 2. New Job Law is Not a Retreat from Social Protection. It Aims to Reform(IE) -2**

1. Himachal Pradesh Needs a Financial Boost(TH)**General Studies 3– Governance**

Topic– Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.

Himachal Pradesh Needs a Financial Boost– Valuing Ecosystem Services**Introduction**

The State of Himachal Pradesh (HP) acts as a critical ecological custodian for India, preserving vast forest covers that provide benefits far beyond its borders. However, this stewardship comes at a significant financial cost to the state. This analysis explores the imbalance where mountain states bear high environmental costs while delivering national benefits, arguing for a fiscal correction that recognizes and compensates for these "Ecosystem Services."

The Core Argument– National Benefits vs. State Burden

The "Free Rider" Problem– Mountain states like HP protect forests that regulate climate, water flow, and biodiversity for the entire nation (especially the plains).

Disproportionate Burden– While the benefits are national (positive externalities), the costs—such as restricted land use, maintenance of slopes, and higher infrastructure costs—are borne almost exclusively by the state exchequer.

Early Insights– The narrative draws from the long-standing local sentiment that building infrastructure in fragile hills is cost-intensive and that the state is effectively subsidizing the nation's ecological security without adequate reimbursement.

Quantifying Forest Wealth– The Economic Case

Recent data supports the argument that HP's ecological contribution is massive and undervalued.

Total Forest Wealth– A 2025 report by the Institute of Forest Management, Bhopal, estimates HP's total forest wealth at ₹9.95 lakh crore.

Annual Economic Value– The annual flow of benefits is pegged at ₹3.20 lakh crore.

Key Services Valued– Carbon Sequestration (mitigating climate change). Water Provisioning (critical for downstream states). Biodiversity Conservation. Regulatory functions like flood control and soil stabilization.

Policy Gaps and Fiscal Constraints

Despite the obvious value, current policies fail to translate ecological value into financial capital for the state.

Recognition without Compensation– India's regulatory framework acknowledges the importance of forests but lacks instruments to comprehensively compensate states for the "opportunity cost" of conservation.

Eco-centric Development Paradox– HP is expected to follow an eco-friendly model, but this restricts industrial revenue generation, leaving the state financially constrained.

FRBM Act Constraints– The FRBM Act, 2005, limits the state's borrowing capacity (fiscal flexibility) without accounting for the unique high-cost, low-revenue nature of an agrarian, mountainous economy.

The Loss of Special Category Status

A historical shift in fiscal federalism has exacerbated HP's financial woes.

Historical Context– HP was granted Special Category State status in 1971 due to its difficult terrain and strategic location. This ensured preferential financial assistance (higher grant-to-loan ratio).

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The 2015 Shift- Following the recommendations of the 14th Finance Commission in 2015, this special status was effectively withdrawn/diluted, reducing the flow of central funds.

Impact- Although some later adjustments were made, the core financial gap persists, leaving the state unable to fund development while maintaining ecological safeguards.

Evolution of Finance Commission Criteria

The criteria for tax devolution have evolved but remain insufficient for mountain states.

Green Bonus & Incentives- Previous commissions introduced concepts like "Green Bonuses" and incentive-based grants.

15th Finance Commission- It introduced a specific criterion for "Forest and Ecology" with a 10% weightage in the devolution formula.

The Gap- This calculation often relies on "dense forest cover," ignoring other vital ecological assets common in HP, such as Glaciers and Snowfields. Cold Deserts. Alpine Pastures. Rivers and Water Bodies.

Recommendations for the 16th Finance Commission

To ensure sustainable development and equity, the 16th Finance Commission must correct these historical limitations.

Enhance Weightage- Increase the weightage assigned to "Forest and Ecology" in the tax devolution formula beyond the current 10%.

Inclusive Methodology- Revise the definition of "forest" or "ecology" to include non-forest ecological assets (glaciers, alpine meadows) that contribute to national ecological security.

Compensate for Stewardship- Explicitly view financial transfers not as "aid" but as "compensation" for the ecosystem services provided to the rest of India.

Conclusion

Himachal Pradesh's forests are a national asset, but their preservation should not be a state liability. The path forward requires a shift from narrow fiscal formulas to a holistic valuation of natural capital. By empowering the 16th Finance Commission to recognize and pay for these ecosystem services, India can ensure a "Green Federalism" that rewards ecological stewardship and secures the environmental future of the nation.

Source- <https://www.thehindu.com/opinion/op-ed/himachal-pradesh-needs-a-financial-boost/article70425669.ece>

2. New Job Law is Not a Retreat from Social Protection. It Aims to Reform(IE)

General Studies 3- Environment

Topic- Parliament and State Legislatures—structure, functioning, conduct of business, powers & privileges and issues arising out of these

Environmental Governance Failure- Symbolism vs. Substance

Introduction- The Paradox of Priorities

The current parliamentary session highlights a disturbing disconnect in Indian democracy- a fervent focus on the historical and cultural symbolism of *Vande Mataram* contrasted against a deafening silence on the substantive issue of India's toxic air. While the House debates a song that celebrates India's clean air and fertile soil, the reality outside involves a hazardous "Airpocalypse," particularly in Delhi. This raises critical questions about legislative priorities, accountability, and the gap between performative nationalism and actual governance.

The Disconnect- Cultural Symbolism vs. Environmental Action

Hollow Nationalism- *Vande Mataram* conceptualizes India as a nurturing motherland rich in nature (Sujalam, Suphalam). However, limiting the debate to historical interpretation without addressing the contemporary degradation of that very "motherland" renders the nationalism symbolic rather than substantive.

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Missed Opportunity- Parliament failed to leverage India's cultural heritage as a moral foundation to drive modern environmental policy. The ideal of the "sacred geography" is being eroded by policy inaction.

Public Health- A Chronic Emergency

Air pollution has transitioned from a seasonal nuisance to a perennial public health catastrophe.

Grim Statistics- Citing *The Lancet*, the analysis notes that air pollution causes over 1.6 million premature deaths annually in India.

Global Warnings- The World Health Organization (WHO) has repeatedly flagged that India's pollution levels far exceed safe limits.

Legislative Apathy- Despite these figures, parliamentary discussions remain sporadic, indicating that public health is not yet a top-tier political priority.

Institutional and Governance Failures

The crisis is not due to a lack of laws, but a failure of implementation and institutional capacity.

Weak Regulators- State Pollution Control Boards (SPCBs) suffer from chronic understaffing and a lack of technical expertise.

Data Gaps- Air quality monitoring infrastructure is unevenly distributed, leading to data blind spots in rural and semi-urban areas.

Regulatory Non-Compliance- Major polluters, specifically thermal power plants, continue to violate emission norms with impunity, exposing the lack of teeth in regulatory enforcement.

Debunking the Economy-Ecology Trade-off

The editorial challenges the traditional view that environmental protection hampers development.

False Dichotomy- Narratives suggesting that job creation and infrastructure must come at the cost of the environment are flawed.

Economic Cost of Pollution- Poor air quality directly degrades labour productivity, increases the national healthcare burden, and reduces the quality of life, ultimately hurting the economy. Environmental protection is, therefore, an economic investment.

Constitutional Obligations and Rights

The state's inaction is a violation of the social contract and the Constitution.

Article 21- The Supreme Court has interpreted the Right to Life to explicitly include the right to a clean and healthy environment. Legislative inaction thus amounts to a constitutional failure.

Intergenerational Equity- By destroying the ecological base today, the state is violating the rights of future generations to inherit a livable country.

Flaws in Current Policy Approaches

Short-Termism- Reliance on emergency measures like the Graded Response Action Plan (GRAP), temporary bans, or AQI-based school closures are merely "band-aids."

Need for Structural Reform- Real solutions require long-term continuity Urban planning reforms. Energy transition to renewables. Massive expansion of public transport.

Democratic Feedback- Citizen protests (e.g., "Save Aravalli" or Delhi clean air protests) are democratic signals. Parliament must view these not as dissent but as feedback for policy correction.

Way Forward

Parliamentary Ownership- Establish regular, structured debates on climate and pollution, moving beyond the "Question Hour" formalities.

Institutional Autonomy- Empower Pollution Control Boards with financial independence, adequate staffing, and legal authority.

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Airshed Management- Move beyond city-centric plans to an Airshed approach (managing pollution across regional geographic boundaries, e.g., the Indo-Gangetic Plain).

Clean Mobility- Accelerate Electric Vehicle (EV) adoption and public transport infrastructure.

Strict Enforcement- Implement time-bound, non-negotiable compliance for industrial emissions.

Conclusion

India's environmental crisis represents a governance failure as much as an ecological one. For India to be truly "Viksit" (Developed), Parliament must transition from symbolic debates to substantive leadership. True national pride is not found in rhetorical defense of the past, but in securing a healthy, breathable, and sustainable future for the citizens of the present.

Source- <https://indianexpress.com/article/opinion/columns/new-job-law-is-not-a-retreat-from-social-protection-it-aims-to-reform-10429491/>

